



News from

# Congressman Ron Kind

*REPRESENTING WISCONSIN'S THIRD  
CONGRESSIONAL DISTRICT*

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## Kind Calls for Tax Relief for Farmers

*Legislation would allow \$500,000 in capital gains tax relief for sold farm property*

**Washington, D.C.** – Today, Congressman Ron Kind (D-WI) announced his support of legislation that would make it easier for retiring farmers and ranchers to pass on their operations to the next generation of farmers. The Beginning Farmers and Ranchers Tax Incentive Act (HR 2978) would significantly lower capital gains taxes paid on farm property sold by farmers and ranchers, especially if the buyer is a first-time farmer.

"Family farmers are the backbone of Wisconsin's economy and way of life," Kind said. "Reducing capital gains taxes for our family farmers will make it easier for them to pass successful operations on to beginning farmers. By making it easier for young people to enter farming, we will be able to foster a stronger farm sector and economy in Wisconsin."

The Beginning Farmers and Ranchers Tax Incentive Act would provide new tax relief up to \$500,000 on lifetime capital gains for the sale of all qualified farm or ranch property. Currently, urban homeowners receive \$500,000 capital gains tax exclusion when they sell their home; HR 2978 would allow family farmers to take advantage of that provision.

The bill would provide greater benefits to agricultural producers selling their farms to first-time farmers and ranchers, and any buyer continuing agricultural production on the property. The legislation would create three levels of tax relief:

**Tier One:** Producers selling their land to a beginning farmer or rancher would receive a 100% reduction of their capital gains tax rate. **Tier Two:** Producers selling their land to someone who pledges to keep the land in agricultural production would receive a 50% reduction of their capital gains taxes. **Tier Three:** Active or recently retired ag. producers selling their land to anyone, for any purpose, would receive an automatic 25% reduction of their capital gains taxes.

Kind has said that the rising average age of American farmers and ranchers and the decline of U.S. farmland are 'reasons for concern.' According to the Agricultural Statistics Research Service in Wisconsin, the number of farmers under the age of 35 in Wisconsin has fallen from 11,681 in 1987 to 5,926 in 1997; a drop of 49%.

In addition, USDA statistics show that the amount of U.S. farmland has decreased by about 100 million acres from 1980 to today. Rangeland decreased nearly 20 million acres from 1982 to 1997.

"A strong farm economy is critical to the survival of our state's rural communities," said Rep. Kind. "This legislation will lower the financial barriers for beginning farmers by helping retiring farmers pass their operations on to the next generation."

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